



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

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July 13, 2001

CERTIFIED RETURN RECEIPT
7000 0520 0021 7582 9323

Spent Hansen
Mammoth Mining Company
44 West Broadway, Suite 704S
Salt Lake City, Utah 84101

Re: Status of Exploration and Small Mining Project, Mammoth Mining Company, Mammoth Exploration (E/023/033) and Mammoth Mine (S/023/041), Juab County, Utah

Dear Mr. Hansen:

Thank you for accompanying me June 21, 2001, on the site inspection of the Mammoth Mine and exploration project area (inspection memo attached). It has been determined that the fourteen exploration sites listed under file number E/023/033, as identified in our March 5, 2001 letter under Concern #2, can be fully released at this time. These areas were determined to have had no post 1975 mechanized surface disturbance activities performed. **Mammoth Mining Company is hereby released from any reclamation responsibilities for these fourteen exploration sites.**

The remaining issues are listed under Concern #1 and Concern #3. Mammoth Mining Company has agreed to submit a notarized letter stating acceptance of all environmental responsibility for the private property. **Please submit this letter by August 15, 2001 to satisfy Concern #1.**

The other issue is Concern #3. Mammoth Mining Company has agreed to perform reclamation of six additional areas, identified as: 1) C.E. Holden Tunnel; 4) Grand Central Tunnel; 11) Plummer Tunnel; 13) Ajax Mine Adit and Drill Pad; 16) Lower Mammoth Tunnel; and 21) Mammoth 300 Ft. Level Tunnel. During the inspection it was agreed that Mammoth Mining would have these **six areas fully reclaimed by September 30, 2001 to satisfy Concern #3.** The Division will perform a follow-up inspection the first part of October to determine if the remaining reclamation work has been properly completed.

Thank you for your help in finalizing this reclamation responsibility. I feel we have accomplished much by working together toward this end. If you have any questions or concerns regarding this letter, please contact me at (801) 538-5321.

Sincerely,

Tom Munson
Senior Reclamation Specialist



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July 12, 2001

TO: Minerals File

FROM: Tom Munson, Senior Reclamation Specialist *TM*

RE: Site Inspection, Mammoth Mining Company, Mammoth Mine, S/023/041, Juab County, Utah

Date of Inspection: June 21, 2001
Time of Inspection: 9:21 a.m.
Conditions: Sunny
Participants: Spenst Hansen, Mammoth Mining; Tom Munson, DOGM

Purpose of Inspection: To inspect and verify the sites found under permits S/023/041 and E/023/033 which were questioned regarding the need for reclamation by the operator.

2. C.E. (Centennial Eureka) Shaft (Exhibit two)
See comments under #3.

3. Chicken Hawk, Boarding House (exhibit three)

New Years, and unnamed Surface adits (exhibit four)
Sites 2 or 3 do not appear to be disturbed by mechanized equipment as shown in the July 17th reclamation plan. An AML closure plan may be appropriate for these sites given their historic nature. Pictures of these sites are contained in the July 17th reclamation plan.

17. Carisa Tunnel (exhibit six)
There is no road to the project, as it is located way up on the side of the hill. There is no way mechanized equipment could have been used to work this site. Therefore, this site can be eliminated from reclamation responsibility based on the location. See photos found in the July 17th reclamation plan.

18. Boss Tweed Tunnel (exhibit seven)
The Boss Tweed Tunnel has been filled with sluff from the Red Rose Mine. It is apparent that it has not been impacted, due to lack of access for mechanized equipment and as shown in the photos. See photos found in the July 17th reclamation plan.

19. Star Tunnel (exhibit eight)

There is no road to the project, as it is located way up on the side of the hill. There is no way mechanized equipment could have been used to do anything to it. Basically that eliminates this site based on the location. See photos found in the July 17th reclamation plan.

20. Columbus Tunnel

The Columbus tunnel is an old disturbance that appears to have been impacted many years ago based on the vegetation on the dumps and the portal. It is open and needs to be closed by AML. There is no evidence of recent disturbance to indicate use of mechanized equipment in recent years. See photos found in the July 17th reclamation plan.

7. Mammoth Glory Hole (exhibit twelve)

The Mammoth Glory Hole is not the type of hole that could be entered without major equipment and structures. None of this occurred and, therefore, it is a site that AML might want to look at for major protection. **Mr. Hansen has committed to maintain a chain link fence at this site.**

8. Mammoth Copper Oxide Adits (exhibit thirteen)

See comments under number 10 - Mammoth Hungarian Tunnel.

10. Mammoth Hole-in-the-Wall

See comments under number 10 - Mammoth Hungarian Tunnel.

11. Mammoth Finn Tunnel (exhibit sixteen)

There is actually no way anyone could have gone in this because it is filled in. We found the rails and took a picture of it – so this one can be crossed off the list.

See comments under number 10 - Mammoth Hungarian Tunnel.

10. Mammoth Hungarian Tunnel (exhibit seventeen)

The four tunnels or adits above did not have any mechanical equipment used to open them and, therefore, do not qualify for reclamation. See photos found in the July 17th reclamation plan.

13. Ajax Mine Adits and Drill Pad (exhibit twenty)

Keystone commits to reseed the pad and reinforcing the closure of the Ajax Mine adits. See photos found in the July 17th reclamation plan.

14. Gold Chain Tunnel (exhibit twenty-one)

There is what appears to be a shaft which has caved in. It is obvious that no one went in this tunnel. There is a drill pipe left that was done by Western Mining in the early 80's according to Mr. Hansen. Centurion had nothing to do with it. From that standpoint, I would suggest that this be released. Future AML Reclamation recommendations would

be regrading the pad and securing the shaft or somehow filling them in. Photos of the site did not come out.

22. Mammoth Water Tanks (exhibit twenty-six)

The Mammoth water tanks are part and parcel of the Mammoth Town Development and need to be left to support any residences associated with this proposed development project.

The final outcome of the meeting with Mr. Hansen was that he follow the recommendations spelled out in his July 17, 2000 submittal, and we release all fourteen sites found under concern #2 of our May 30, 2001 letter, that were on our inspection list. Mr. Hansen has until September 30, 2001, to complete the six major items he agreed to complete under concern #3 of our May 30, 2001 letter, and also secure the fence around the Mammoth Glory Hole. A follow-up site inspection needs to be performed the first part of October to verify that Mr. Hansen has completed the items he has agreed to perform by September 30th.

Mr. Hansen also needs to send the Division a notarized letter stating that he will accept environmental responsibility for his private property, this needs to occur by August 15, 2001.